

# Landmark bill to limit cryptomining passes NY Legislature

June 3 2022, by Michael Hill

---



The Greenidge Generation bitcoin mining facility, in a former coal plant by Seneca Lake in Dresden, New York, is shown in this photo from Nov. 29, 2021. A milestone measure that would tap the brakes on the spread of cryptocurrency mining operations burning fossil fuels in New York has passed the state Legislature. The bill approved early Friday, June 3, 2022, by the state Senate would establish a two-year moratorium on new and renewed air permits for fossil fuel power plants used for energy-intensive “proof-of-work” cryptomining. The plant also produces power for the state's electricity grid. Credit: AP Photo/Ted

Shaffrey, File

A milestone environmental measure designed to tap the brakes on the spread of cryptocurrency mining operations burning fossil fuels in New York has passed the state Legislature.

The closely watched bill approved early Friday by the state Senate would establish a two-year moratorium on new and renewed air permits for fossil fuel power plants used for energy-intensive "proof-of-work" cryptomining. Proof-of-work is the blockchain-based algorithm used by bitcoin and some other cryptocurrencies.

The bill, which supporters and opponents say is the first of its kind, now goes to Democratic Gov. Kathy Hochul for consideration. The governor has said she wants to make sure any legislation balances economic and environmental concerns.

Environmentalists who lobbied for the bill said natural gas-burning power plants being used for cryptomining operations threaten the state's ability to meet its long-term climate goals.

"Governor Hochul signing this legislation sends a signal that New York state is serious about meeting its climate mandates. It shows us that we cannot be re-powering fossil fuel power plants for the purposes of private gain in New York, especially as we're looking to move away from fossil fuels entirely," said Liz Moran of Earthjustice.

Moran said there are potentially dozens of fossil fuel plants in New York that could be converted into mining operations.

Supporters of the cryptocurrency industry said the measure would crimp

economic development in New York while other states court the burgeoning field.

The Blockchain Association, an industry group, said enacting the measure would send "a clear signal that the crypto industry is unwelcome in the state."

"Now is not the time to cede New York's position as the financial capital of the world," Executive Director Kristin Smith said in a statement Friday.

The Blockchain Association, an industry group, said it would simply prompt mining operations to move to other states.

Cryptocurrency mining requires specialized computers that consume huge amounts of energy. One study calculated that as of November 2018, bitcoin's annual electricity consumption was comparable to Hong Kong's in 2019, according to the U.S. Energy Information Administration. Some miners are looking for ways to reduce their reliance on fossil fuels to produce the necessary electricity.

A coalition of environmental groups has separately been urging the Hochul administration to deny the air permit renewal for Greenidge Generation in the Finger Lakes, which also produces power for the state's electricity grid. A decision could come at the end of the month.

This measure, if signed into law, would not affect pending applications like the one from Greenidge.

The measure also would require the state Department of Environmental Conservation to perform an environmental impact assessment on how cryptomining affect the state's ability to meet its climate goals.

The bill passed the Assembly, the Legislature's lower chamber, in April.

© 2022 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Landmark bill to limit cryptomining passes NY Legislature (2022, June 3) retrieved 7 August 2024 from <https://techxplore.com/news/2022-06-landmark-bill-limit-cryptomining-ny.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.